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# SECOND INDUSTRIAL DEVELOPMENT DECADE FOR AFRICA

## Implementation of the programme for the Second Industrial Development Decade for Africa

***Report by the Director-General***

**Summary**

Discusses the 1998-1999 programme framework for the Second IDDA.Reports on progress achieved in areas addressed by the General Conference in resolutions GC.7/Res.5 and GC.7/Res.6.

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**Introduction**

1. At its seventeenth session the Industrial Development Board adopted decision IDB.17/Dec.4 which endorsed the Plan of Action for the Alliance for Africa's Industrialization (AAI) as the implementation mechanism for a refocused Second Industrial Development Decade for Africa (IDDA) programme and requested the Director-General to ensure that the Plan of
Action serves as a framework for the future activities of UNIDO in Africa, particularly for its least developed countries (LDCs). Document IDB.17/26 highlighted key elements of the Plan of Action for the Alliance for Africa's Industrialization, including its linkages with IDDA.

2. Subsequently, the seventh regular session of the General Conference adopted resolution GC.7/Res.5, which further endorsed the Plan of Action for the Alliance for Africa's Industrialization. In the same resolution, the Conference also requested the Director-General to maintain an identifiable and enhanced management structure for the IDDA and stressed the necessity for cooperation with relevant partners including donor countries. Resolution GC.7/Res.6 invited partners as well as the private sector to participate in the meeting of donors to be organized by UNIDO in 1998, in cooperation with other major institutions. These mandates are addressed in the present document.

## I. PROGRAMME FRAMEWORK FOR 1998-1999

3. The framework of the programme for the Second Industrial Development Decade for Africa during the biennium 1998-1999 is based on the functions and priorities as described in the Business Plan on the Future Role and Functions of UNIDO.

4. It is essential to restate key policy guidelines in the Business Plan which will serve as benchmarks for the IDDA programme. Future UNIDO activities "will be directed primarily to support institutions rather than to individual enterprises, thus emphasizing upstream activities such as policy advisory services and institutional capacity-building. Support will be provided for the development of small and medium enterprises (SMEs) as the principal means for achieving equitable and sustainable industrial development". In this connection the Business Plan prescribes that UNIDO would provide its support primarily in comprehensive packages of integrated services through interdisciplinary team-building. Added emphasis will be given to (a) services to LDCs, in particular in Africa, with special attention to the regional and subregional level; (b) services in support of agro-based industries and their integration through subsectoral linkages into national industrial structures; and (c) services in support of SMEs and their integration into national industrial structures.

5. To ensure that resources are effectively utilized to serve the needs of Member States, the overall programme framework will endeavour to achieve four primary goals:

(a) Refocus the use of IDDA resources in order to ensure that greater impact is achieved at the country level. To achieve this goal:

(i) IDDA/AAI projects will need to conform to the priorities and functions of UNIDO as contained in the Business Plan and must address activities and actions in the Alliance's Plan of Action;

(ii) There will be reduced support to meetings and staff travel and a redirection of funds to technical cooperation projects;

(iii) Preference will be given to projects and programmes that effectively integrate UNIDO services and demonstrate a genuine collaboration between two or more technical branches. In this regard, a more careful screening of projects will be combined with a reduction of "red tape" in the approval process;

(b) Ensure greater involvement of donors and other United Nations agencies in the programme and ensure effective leveraging of additional resources for country programmes. In this connection, IDDA/AAI projects will include clear strategies for mobilizing additional funds for implementing or financing follow-up activities. Project managers will be encouraged to ensure effective coordination of IDDA/AAI activities with United Nations system activities at the country level;

(c) Promote ownership by Member States of IDDA/AAI country programmes through the establishment of effective implementation mechanisms at the country and subregional levels, and greater participation of the private sector. To achieve this goal, emphasis will be on:

(i) Support for capacity-building for the establishment of Industrial Partnership Councils (IPCs) as called for in the Alliance's Plan of Action. The Councils will constitute a public-private sector consultative mechanism for policy dialogue, programme formulation and implementation. They will work closely with the UNIDO field representation system. To date, work has been started in 19 countries for the establishment of IPCs;

(ii) Consistent with the call in the Business Plan for the decentralization/devolution of authority for project/programme formulation and implementation to UNIDO field offices, some IDDA resources will be allocated to UNIDO Country Directors to facilitate their timely

response to requests for preparatory assistance and recruitment of national consultants;

(d) Ensure equitable distribution of projects among Member States with particular attention to LDCs. In this regard, 50 per cent of IDDA funds will be utilized for programmes and projects in LDCs.

## II. IDENTIFIABLE MANAGEMENT STRUCTURE

6. With the streamlining and refocusing of the Organization in accordance with the Business Plan, the functions of the former IDDA Coordination Unit have been primarily amalgamated into the Africa and LDCs Bureau, whose terms of reference cover essentially activities related to the IDDA/AAI programme, with special focus on LDCs. At the same time, the Arab Countries Bureau—as stated in the relevant section of the programme and budgets, 1998-1999—will contribute to IDDA/AAI coordination with regard to African Arab countries.

## III. MOBILIZATION OF ADDITIONAL FUNDS

7. In response to General Assembly resolution 52/208 as well as to General Conference resolutions GC.7/Res.5 and GC.7/Res.6, the Director-General initiated contacts with the United Nations Development Programme and the African Development Bank to solicit their cooperation in organizing a donors conference in late 1998 or early 1999. The main goal will be to obtain commitment to and pledges for industrial development programmes. During the conference, donors will be presented with a portfolio of fully developed programmes and projects ready for approval This portfolio will consist of two types of activities:

(a) Integrated programmes in response to objective 3 of the Plan of Action: "Industrial transformation of natural resources, particularly through the development of agro-industries". These programmes will be designed after an in-depth analysis of a country in close cooperation with the authorities and the private sector and will address a (sub)sector through an integrated package of policy advice, technical cooperation projects and investment promotion activities;

(b) A series of high-impact thematic programmes. These will address objective 4: "Coherent strategies for the development of competitive small and medium industries" and objective 5: "Enhancement of institutional capacity-building, including human resources development, at the policy, institutional and enterprise levels, and integration of women in industry". The new programme approaches introduced by the Director-General will also serve as a guide for the development of programmes under these thematic areas.

## IV. ACTION REQUIRED OF THE BOARD

8. The Board may wish to take note of the framework laid down for the implementation of the IDDA/AAI programme during the biennium 1998-1999, including the organization of the donors conference for funds mobilization.